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May 15, 2023

BY ECF

The Honorable Margo K. Brodie
United States District Judge
Eastern District of New York
United States Courthouse
225 Cadman Plaza East
Brooklyn, NY 11201

Re: **SEC v. GPB Capital Holdings LLC, et al., No. 21-cv-00583-MKB-VMS**

Dear Chief Judge Brodie:

We represent the Court-appointed monitor, Joseph T. Gardemal III (the “Monitor”), in the above-referenced matter. We respectfully submit this letter, as the Monitor’s ninth Quarterly Fee Application, to seek the Court’s approval for the payment of the Monitor’s compensation and expenses for January, February and March 2023, as well as the fees previously held back from payment of the Monitor’s Monthly Fee Statements for January, February and March 2023, pursuant to paragraphs 34 and 35 of the Court’s Amended Order appointing the Monitor, dated April 14, 2021 (the “Amended Order”). Paragraphs 34 and 35 of the Amended Order state the following:

34. Within forty-five (45) days after the end of each calendar quarter, the Monitor and Retained Personnel shall apply to the Court for compensation and expense reimbursement from the Subject Assets (the “Quarterly Fee Applications”). At least fifteen (15) days prior to filing each Quarterly Fee Application with the Court, the Monitor will serve upon counsel for the SEC a complete copy of the proposed Application, together with all exhibits and relevant billing information in a format to be provided by the SEC.
35. Upon approval by the Court of each Quarterly Fee Application, GPB shall promptly pay the remaining fees held back from payment of the Monthly Fee Statements for the months contained in each Quarterly Fee Application.

As part of this ninth Quarterly Fee Application, we are submitting summaries of invoices (“Monthly Fee Statements”) for the Monitor for January, February and March 2023, which are attached to this letter as exhibits and include the fees for the Monitor’s counsel, Hogan Lovells US LLP, as expenses. These Monthly Fee Statements, which are attached to this letter as exhibits, have already been submitted to the Securities and Exchange Commission (“SEC”) and GPB Capital Holdings, LLC (“GPB”). The SEC informed the Monitor that it has reviewed and approved the Monthly Fee Statements. In addition, pursuant to paragraph 33(b) of the Amended Order, the Monitor has previously submitted these three Monthly Fee Statements to the Court on a timely basis.

The Honorable Margo K. Brodie

2

May 15, 2023

Under the procedure set forth in paragraph 33 of the Amended Order, GPB has already paid the fees and expenses contained on the Monthly Fee Statements, minus the holdback of the fees discussed in paragraph 33(e) of the Amended Order. As the Monitor previously informed the Court, in the second Quarterly Fee Application, following discussions with the SEC, the Monitor determined to institute a 20 percent holdback as to the Monitor's professional fees, which is to be payable at the end of the Monitor's fiscal year, which is October 31, 2023, notwithstanding that the Amended Order provides for a 10 percent holdback to be payable quarterly. The new 20 percent holdback was applied for the first time with the Monitor's June 2021 invoice and is reflected on the attached Monthly Fee Statements for January, February and March 2023. Neither the SEC nor GPB objected to any portion of the fees and expenses submitted by the Monitor for January, February and March 2023.¹

Further, in accordance with paragraph 38 of the Amended Order, on behalf of the Monitor, we represent that the fees and expenses contained on the Monthly Fee Statements were incurred in the best interests of the investors in the GPB funds. We also represent that the Monitor has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid to the Monitor or any sharing thereof, with the exception of the Billing Instructions.

Accordingly, pursuant to paragraphs 34 and 35 of the Amended Order, we respectfully request approval of the Court for this ninth Quarterly Fee Application, including approval of the payment of the fees and expenses in the Monthly Fee Statements and the payment of the held-back fees for January, February and March 2023.

Respectfully submitted,



Robert B. Buehler
Partner
robert.buehler@hoganlovells.com
D 212-918-3261

¹ If the Court wishes to review the underlying invoices on which the attached Monthly Fee Statements are based, which contain particularized billing entries for the Monitor and retained personnel, we would of course submit those to the Court under seal, pursuant to this Court's order dated July 16, 2021, which granted the Monitor's application for leave to file quarterly fee applications and monthly fee statements, pursuant to the Amended Order, under seal.

Exhibit 1



Alvarez & Marsal Disputes and Investigations, LLC
655 15th Street, NW, Suite 600
Washington, DC 20005
Telephone: 202-729-2100
Fax: 202-729-2101

February 21, 2023

GPB Capital Holdings, LLC
and Highline Management, Inc.
Attn: Rob Chmiel, CEO
33 East 33rd Street, Suite 807
New York, NY 10016

Invoice Reference #: 829446-24
Court Appointed Independent Monitor, Joseph T. Gardemal III
Appointment Date: 02/12/2021
Monthly Fee Application from 01/01/2023 through 01/31/2023

Dear Mr. Chmiel:

Please find attached Alvarez & Marsal's invoice for Professional Services rendered to GPB Capital Holdings, LLC and Highline Management, Inc. in relation to the Court Appointed Independent Monitor, Joseph T. Gardemal III. A&M requests payment in the amount of \$505,355.70 for the services rendered. As a reminder, payment is due within 30 days.

I hereby certify that I have read the Application and that the hours worked by the individuals billed are correct and that the total amount invoiced is for work performed.

Please let me know if you have any questions regarding this invoice. We appreciate the opportunity to be of service to you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joseph Gardemal".

Joseph Gardemal
Managing Director



Alvarez & Marsal Disputes and Investigations, LLC
 655 15th Street, NW, Suite 600
 Washington, DC 20005
 Telephone: 202-729-2100
 Fax: 202-729-2101

February 21, 2023

<u>Reference Invoice #:</u>
829446-24

GPB Capital Holdings, LLC and Highline Management, Inc.
 Attn: Rob Chmiel, CEO
 33 East 33rd Street, Suite 807
 New York, NY 10016

Court Appointed Independent Monitor, Joseph T. Gardemal III
Appointment Date: 02/12/2021

A&M Professional Fees Total	\$ 496,936.00
80% of Professional Fees	\$ 397,548.80

Expenses

A&M Out-of-Pocket Expenses	\$ 8,191.37
Counsel_Hogan Lovells LLP	\$ 95,115.53
Global Commercial Insights, LLC	<u>\$ 4,500.00</u>
Expense Total	\$ 107,806.90

Total Professional Fees and Expenses Payable	<u>\$ 505,355.70</u>
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<i>Professional Fees Subject to 20% Holdback</i>	\$ 99,387.20
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Wire Instructions:

Bank: Wells Fargo
 ABA: 121000248
 Swift: WFBILUS6S
 Account Name: Alvarez & Marsal Disputes and Investigations, LLC
 Account Number: 2000018590539
 Reference Invoice #: 829446-24
 Notification Email: treasury@alvarezandmarsal.com
For security purposes, all bank account changes should be verbally verified by contacting A&M using a known telephone number BEFORE funds are sent to a different account.

Mail Instructions:

Alvarez & Marsal Disputes and Investigations, LLC
 Attn: Liz Carrington
 600 Madison Avenue
 8th Floor
 New York, NY 10022

Exhibit 2



Alvarez & Marsal Disputes and Investigations, LLC
655 15th Street, NW, Suite 600
Washington, DC 20005
Telephone: 202-729-2100
Fax: 202-729-2101

March 20, 2023

GPB Capital Holdings, LLC
and Highline Management, Inc.
Attn: Rob Chmiel, CEO
33 East 33rd Street, Suite 807
New York, NY 10016

Invoice Reference #: 829446-25
Court Appointed Independent Monitor, Joseph T. Gardemal III
Appointment Date: 02/12/2021
Monthly Fee Application from 02/01/2023 through 02/28/2023

Dear Mr. Chmiel:

Please find attached Alvarez & Marsal's invoice for Professional Services rendered to GPB Capital Holdings, LLC and Highline Management, Inc. in relation to the Court Appointed Independent Monitor, Joseph T. Gardemal III. A&M requests payment in the amount of \$570,175.17 for the services rendered. As a reminder, payment is due within 30 days.

I hereby certify that I have read the Application and that the hours worked by the individuals billed are correct and that the total amount invoiced is for work performed.

Please let me know if you have any questions regarding this invoice. We appreciate the opportunity to be of service to you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joseph Gardemal".

Joseph Gardemal
Managing Director



Alvarez & Marsal Disputes and Investigations, LLC
 655 15th Street, NW, Suite 600
 Washington, DC 20005
 Telephone: 202-729-2100
 Fax: 202-729-2101

March 20, 2023

Reference Invoice #:
829446-25

GPB Capital Holdings, LLC and Highline Management, Inc.
 Attn: Rob Chmiel, CEO
 33 East 33rd Street, Suite 807
 New York, NY 10016

Court Appointed Independent Monitor, Joseph T. Gardemal III**Appointment Date: 02/12/2021****Monthly Fee Application from 02/01/2023 through 02/28/2023**

A&M Professional Fees	\$ 544,557.50
80% of Professional Fees Total	\$ 435,646.00

Expenses

A&M Out-of-Pocket Expenses	\$ 976.42
Counsel_Hogan Lovells LLP	\$ 129,052.75
Global Commercial Insights, LLC	<u>\$ 4,500.00</u>
Expense Total	\$ 134,529.17

Total Professional Fees and Expenses Payable	<u>\$ 570,175.17</u>
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<i>Professional Fees Subject to 20% Holdback</i>	\$ 108,911.50
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Wire Instructions:

Bank: Wells Fargo
 ABA: 121000248
 Swift: WFBUS6S
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For security purposes, all bank account changes should be verbally verified by contacting A&M using a known telephone number BEFORE funds are sent to a different account.

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 Attn: Liz Carrington
 600 Madison Avenue
 8th Floor
 New York, NY 10022

Exhibit 3



Alvarez & Marsal Disputes and Investigations, LLC
655 15th Street, NW, Suite 600
Washington, DC 20005
Telephone: 202-729-2100
Fax: 202-729-2101

April 20, 2023

GPB Capital Holdings, LLC
and Highline Management, Inc.
Attn: Rob Chmiel, CEO
33 East 33rd Street, Suite 807
New York, NY 10016

Invoice Reference #: 829446-26
Court Appointed Independent Monitor, Joseph T. Gardemal III
Appointment Date: 02/12/2021
Monthly Fee Application from 03/01/2023 through 03/31/2023

Dear Mr. Chmiel:

Please find attached Alvarez & Marsal's invoice for Professional Services rendered to GPB Capital Holdings, LLC and Highline Management, Inc. in relation to the Court Appointed Independent Monitor, Joseph T. Gardemal III. A&M requests payment in the amount of \$648,985.98 for the services rendered. As a reminder, payment is due within 30 days.

I hereby certify that I have read the Application and that the hours worked by the individuals billed are correct and that the total amount invoiced is for work performed.

Please let me know if you have any questions regarding this invoice. We appreciate the opportunity to be of service to you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joseph Gardemal".

Joseph Gardemal
Managing Director



Alvarez & Marsal Disputes and Investigations, LLC
 655 15th Street, NW, Suite 600
 Washington, DC 20005
 Telephone: 202-729-2100
 Fax: 202-729-2101

April 20, 2023

<u>Reference Invoice #:</u>
829446-26

GPB Capital Holdings, LLC and Highline Management, Inc.
 Attn: Rob Chmiel, CEO
 33 East 33rd Street, Suite 807
 New York, NY 10016

Court Appointed Independent Monitor, Joseph T. Gardemal III

Appointment Date: 02/12/2021

Monthly Fee Application from 03/01/2023 through 03/31/2023

A&M Professional Fees	\$	508,751.00
80% of Professional Fees Total	\$	407,000.80
Expenses		
A&M Out-of-Pocket Expenses	\$	160.00
Counsel_Hogan Lovells LLP	\$	228,325.18
Global Commercial Insights, LLC	\$	13,500.00
Expense Total	\$	241,985.18
Total Professional Fees and Expenses Payable		
	\$	648,985.98
<i>Professional Fees Subject to 20% Holdback</i>		
	\$	101,750.20

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For security purposes, all bank account changes should be verbally verified by contacting A&M using a known telephone number BEFORE funds are sent to a different account.	